

Message Text

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TAGS: OVIP (RICHARDSON, ELLIOT), PO

SUBJ: VISIT OF SECRETARY OF COMMERCE RICHARDSON TO
PORTUGAL

REF: (A) LISBON 8360, (B) LISBON 8372

SUMMARY. SECRETARY OF COMMERCE RICHARDSON MET WITH SEVERAL KEY
GOP LEADERS DURING NOV. 30-DEC 3 OFFICIAL VISIT TO PORTUGAL.
HE RECEIVED DETAILED GOP VIEWS ON CURRENT POLITICAL/ECONOMIC
SITUATION AND, IN TURN, STRESSED IMPORTANCE OF PRIVATE SECTOR
AND FOREIGN INVESTMENT TO RESOLUTION OF ECONOMIC CRISIS. VISIT
PROFITABLE IN PROVIDING WIDE-RANGING EXCHANGE OF VIEWS
BETWEEN HIGH LEVELS OF USG AND GOP ON MANY IMPORTANT TOPICS.
SECRETARY'S REPUTATION AND WIDE EXPERIENCE ASSURED SUBSTANTIAL
INTEREST IN HIS VIEWS. VISIT RECEIVED MODERATELY HEAVY, STRAIGHT
FORWARD NEWS COVERAGE. END SUMMARY.

1. SECRETARY OF COMMERCE RICHARDSON, ACCOMPANIED BY WIFE,
DEPUTY ASSISTANT SECRETARY KATZ AND THREE OTHERS, ARRIVED
LISBON EVENING NOV. 30.

FIRST CONTACT WITH GOP OFFICIALS CAME DURING DINNER
AT RESIDENCE ATTENDED BY MINISTERS OF PLANNING, COMMERCE
AND AGRICULTURE. LEADER OF PS CONGRESSIONAL DELEGATION,
AS WELL AS REPRESENTATIVES OF U.S. BUSINESS AND PORTU-

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GUESE PUBLIC SECTORS. SECRETARY ENGAGED IN SIGNIFICANT

DISCUSSIONS REGARDING PORTUGUESE DEVELOPMENT STRATEGIES, REAL ECONOMIC COSTS OF MODERNIZATION, AND NEED TO RECOGNIZE INDIVIDUAL INITIATIVE ALLOWING FREEDOM OF CHOICE FOR ENTREPRENEURS.

2. TRIP TO SINES INDUSTRIAL COMPLEX UNFORTUNATELY CANCELLED DUE TO POOR WEATHER CONDITIONS WHICH PREVENTED AIRPLANE FROM LANDING AT SINES. BRIEFING AT LISBON OFFICE OF SINES AGENCY WAS SUBSTITUTED FOR VISIT. SINES OFFICIALS STRESSED PROJECT'S BACKGROUND, CURRENT STATUS, AND NEED FOR FUTURE INVESTMENT, ESPECIALLY FOR PORT, PETRO-CHEMICAL COMPLEX AND NEW TOWN. SECRETARY COMMENTED THAT HE THOUGHT USG COULD BE HELPFUL IN PROVIDING TECHNICAL ASSISTANCE AND ADVISE ON ECONOMIC-SOCIAL ASPECTS OF NEW TOWN. HE ALSO STRESSED HE WOULD URGE EX-IM BANK TO INCREASE EXPOSURE IN PORTUGAL.

3. DURING AFTERNOON OF DEC. 2, SECRETARY MET JOINTLY WITH REPRESENTATIVES OF BOTH PORTUGUESE PRIVATE SECTOR (CIP) AND U.S. FOREIGN INVESTMENT (BOARD OF DIRECTORS OF AMERICAN CHAMBER OF COMMERCE). MEETING BEGAN WITH CIP BRIEFING ON CURRENT STATUS AND ATTITUDES OF PRIVATE SECTOR AND EVOLVED INTO WIDE-RANGING DISCUSSION OF PRIVATE SECTOR CONCERNS. BOTH DOMESTIC AND FOREIGN INVESTORS MADE CLEAR THAT THEY ARE CONTINUING TO DELAY DECISIONS TO INVEST. MAJOR COMPLAINTS INVOLVED LABOR/MANAGEMENT RELATIONS, DEARTH OF DEFINITE GOP POLICIES/ACTIONS, RESTRICTIVENESS OF FOREIGN INVESTMENT CODE, AND CREDIT ALLOCATION SYSTEM WHICH DISCRIMINATES AGAINST PRIVATE SECTOR. BUSINESSMEN EMPHASIZED THAT MANY KEY GOP DECISIONS ON LABOR/MANAGEMENT RELATIONS HAVE NEVER BECOME LAW FOR ONE REASON OR ANOTHER. NEVERTHELESS THEY SAW SIGNS THE CLIMATE WAS BEGINNING TO CHANGE, PARTICULARLY IN NORTHER PORTUGAL.

4. THROUGHOUT VISIT, SECRETARY STRESSED IMPORTANCE OF PRIVATE SECTOR ACTIVITY TO PORTUGUESE ECONOMIC RECOVERY AND DEVELOPMENT. THIS WAS INCLUDED IN SPEECH TO AMERICAN CLUB WHICH WAS ATTENDED BY OVERFLOW CROWD OF ABOUT 180 AND WAS COVERED WIDELY BY PRESS. SAME MESSAGE WAS TRANSMITTED DURING SECRETARY'S MEETINGS WITH PRIME MINISTER AND LIMITED OFFICIAL USE

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FOREIGN MINISTER AND DURING MOST OTHER DISCUSSIONS, INCLUDING ONE WITH LEADING PS BANKING AND FINANCIAL ADVISER AT DINNER AT DCM'S RESIDENCE.

5. VISIT RECEIVED MODERATELY HEAVY, STRAIGHT FORWARD MEDIA COVERAGE (SEE REF A FOR DETAILS). IN ADDITION TO EXTENSIVE COVERAGE OF AMERICAN CLUB SPEECH AND ARRIVAL AND DEPARTURE OF PARTY, SECRETARY

WAS INTERVIEWED BY EDITOR OF RESPECTED WEEKLY "EXPRESSO"
INTERVIEW SHOULD APPEAR IN DECEMBER 10 EDITION.

6. SEE REF B FOR DETAILS RE MEETINGS WITH
PRIME MINISTER AND FINANCE MINISTER.
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